



The League of Arizona Cities and Towns (LACT) in partnership with BMO Treasury & Payment Solutions (BMO Harris Bank), is pleased to announce our partnership in offering a consortium based Procurement Card program to all LACT members. P-cards have been widely used for many years by government organizations to reduce invoices, provide better controls than cash and checks, and in many cases generate a financial incentive based on program spend and performance.

What are the benefits to your city/town in joining the LACT consortium contract?

- No need to go through a lengthy and costly RFP process, as this was completed by the consortium anchor (ILASBO – Illinois Association of School Board Officials)
- No fees for cards, implementation, program support, or use of online management tool
- No minimum spend requirements
- ALL programs may earn an annual performance incentive paid directly by the LACT
- Receive a dedicated BMO support team
- Pick your statement payment terms (Grace Days of 7, 14, 21, or 27)
- Free access to Spend Dynamics, the online administration and reporting tool, allows the reconciliation of transactions with ease. Seamlessly integrate, reconcile and accurately code transactions into your ERP financial system. (order cards, set limits, run reports, etc)

BMO is one of the top North American commercial card (Mastercard) issuers, and has a solid financial foundation with a Tier 1 capital ratio of 10.1 % and no receipt of TARP funding. BMO Harris NA, an operating division of BMO based in Chicago, serves the United States markets in the Mid-West, Florida and Arizona with additional offices in 11 other states. When it comes to experience, our dedicated Public Sector team has a strong track record in creating successful card programs for other public service providers, including those at the federal, state and local governments, as well as educational and health organizations. Our success in delivering best-in-class programs to our clients stems from our commitment to a consultative approach with all of our clients resulting in innovation and the best solutions to meet your needs today and into the future. BMO's Payment Card program is designed for organizations wishing to maximize payment efficiencies and capitalize on significant cost savings.

**BMO's Association with LACT and ILASBO:** BMO Financial Group offers a cost free Payment Card program designed specifically for Cities, Towns, Counties, School Districts, and Higher Education. ILASBO (Illinois Association of School Business Officials) began this Payment Card consortium in 2003 for school districts in Illinois. ILASBO has opened up the program to ASBOs in 18 additional states, with more soon to join. In 2014, the Indiana Association of Cities and Towns (IACT) joined the program as the first anchor for municipalities. The very positive endorsement of the program by districts and municipalities is just one of the reasons why the program has grown to nearly 1000 entities with a combined spend volume of \$375 million. As of November 2016 the League of Arizona Cities and Towns joined the consortium to serve as an anchor for municipalities in Arizona.

**Financial Benefits:** The LACT is pleased to offer a highly competitive incentive offer through the ILASBO P-Card consortium. Our incentive calculation is based on your programs spend volume and payment terms. The higher the spend volume the higher the revenue share back to your organization. There are **NO “CLAWBACKS”** with this program. i.e. no incentives taken away for not meeting minimum purchasing requirements per card, per month, or per year, etc.

While the card program will be provided by BMO, any incentives paid will be issued by the League of Arizona Cities and Towns (“LACT”). BMO is not responsible for incentive payments to individual programs. The LACT is providing the following annual incentive for members:

LEAGUE OF ARIZONA CITIES AND TOWNS  
PAYMENT CARD CONSORTIUM PERFORMANCE INCENTIVE

Annual Net Transaction Volume (U.S. Dollars)	Settlement Period Net 7 Days Rebate %	Settlement Period Net 14 Days Rebate %	Settlement Period Net 21 Days Rebate %	Settlement Period Net 27 Days Rebate %
\$400,000,001 +	1.26	1.21	1.15	1.09
<del>\$350,000,001 – \$400,000,000</del>	<del>1.24</del>	<del>1.19</del>	<del>1.13</del>	<del>1.07</del>
\$300,000,001 – \$350,000,000	1.23	1.17	1.11	1.05
\$250,000,001 – \$300,000,000	1.20	1.14	1.08	1.02
\$200,000,001 – \$250,000,000	1.16	1.10	1.04	.99
\$150,000,001 – \$200,000,000	1.14	1.07	1.00	.94

The line in red is the tier that the consortium is expected to reach by 3/31/17. The incentive term is 4/1 – 3/31. This grid is valid through 3/31/17, after which a renewed and more robust incentive grid will take effect 4/1/17 for another 5 year term.

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